

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION****State Capitol, Room 113****Sacramento, CA****Minutes of Meeting****April 8, 2004****COMMISSIONERS PRESENT**

Nancy E. McFadden, Chair
Diane M. Griffiths
Teresa P. Hughes
Vicki Marti
Lynn Schenk
Michael R. Yamaki

CMAC STAFF PRESENT

J. Keith Berger, Executive Director
Myrna Allen, R.N.
Enid Barnes
Theresa Bueno
Denise DeTrano
Holland Golec
Vanessa Guerrero
Mervin Tamai
Karen Thalhammer
Donald Wooten, Ph.D.

COMMISSIONER ABSENT

Thomas Calderon

EX-OFFICIO MEMBER PRESENT

Benjamin Thomas, Department of Health Services

EX-OFFICIO MEMBER ABSENT

Chantele Denny, Department of Finance

I. Call to Order

The open session meeting of the California Medical Assistance Commission (CMAC) on April 8, 2004 was called to order at 10:00 a.m. by Chair Nancy E. McFadden. A quorum was present.

II. Approval of Minutes

The March 11 & 25, 2004 meetings minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

The Executive Director, Keith Berger, informed the Commissioners that the next Commission meeting on April 22 will be in Room 126.

Mr. Berger indicated that Scripps Health System had requested to appear before the Commission in closed session at this meeting, however, after lengthy negotiations they have withdrawn their request.

Keith Berger further indicated that two other hospitals have recently submitted requests to appear before the Commission in closed session. The hospitals' requests will be listed on the April 22 agenda for the Commissioners' consideration.

The Executive Director further indicated that at the last Commission meeting he had reported that CMAC staff has been working through some cap related issues that have caused CMAC to move back the target dates for the SB 1255 amendments from April 8 to April 22. CMAC staff has made progress on the cap issues allowing them to reach agreement with the public hospitals. A set of SB 1255 amendments will be before the Commission for action on April 22 in closed session.

The Medical Education program has moved forward on a more timely basis. Those amendments are still on for the April 22 meeting as originally scheduled. As a result, on April 22, CMAC staff plans to have approximately 30 amendments before the Commission for action and another 60, including the remaining SB 1255 amendments, at the May 13 Commission meeting.

Mr. Berger remarked that at the last Commission meeting he had mentioned that CMAC and DHS would be attending an entrance conference with the Federal Office of the Inspector General (OIG). Keith Berger updated the Commission on the meeting stating that the OIG is here to look at the Medical Education Program as part of a national review. The Executive Director gave an overview of the Medical Education Program to the OIG, and CMAC staff is cooperating with the OIG by answering additional questions and providing them with appropriate documentation when requested.

In response to Commissioner Griffiths' question, Keith Berger indicated that the OIG is trying to understand how California operates its Medical Education program. The OIG also stated they want to assess whether there is any overlap between Medicare GME and Medicaid Medical Education payments.

In concluding his report, the Executive Director remarked that Los Angeles (LA) County will be appearing before the Commission at the May 27 meeting to update the Commission on LA County's financial situation in response to Commissioner Griffiths' recent request.

IV. Medi-Cal Managed Care Activities

Mr. Berger indicated that there was nothing to report regarding the status of amendments at this time. He further informed the Commission that the third of four sets of workgroup meetings for the Medi-Cal Redesign would be held next week, April 14 and 15, in LA. The groups will discuss issues related to benefits and cost sharing, eligibility, managed care and aging/disability.

Keith Berger further indicated that the Medi-Cal Redesign has a website available for anyone who may have questions activities.

V. New Business/Public Comments/Adjournment

There being no further new business and no additional comments from the public, Chair Nancy McFadden recessed the open session at 10:06 a.m. Chair McFadden opened the closed session at 10:08 a.m. Chair McFadden adjourned the closed session at 10:36 a.m. The Commission reconvened in open session. Chair McFadden announced that the Commission had taken action on a hospital amendment and a managed care dental amendment in closed session.

Now being in open session at 10:36 am, Chair McFadden requested that the Executive Director give a brief overview of what will be on the agenda for the next few of Commission meetings.

Mr. Berger indicated that CMAC staff's progress on both of the supplemental programs, SB 1255 and Medical Education, will result in approximately 30 amendments coming before the Commissioners at the following meeting on April 22 and another 60 amendments at the May 13 Commission meeting. Keith Berger further stated that CMAC staff is in negotiations with several non-1255 hospitals and expects to have some additional contracts before the Commission for action in May and June.

In response to Commissioner Schenk's question, Mr. Berger indicated that, by statute, 15 days prior to a Commission meeting in which the Commission is asked to take action on amendments, the Executive Director must provide the Commission with his written recommendations regarding those amendments for their review. Commissioner Schenk requested that a summary be provided with the contract amendment copies.

Chair McFadden requested that Mr. Berger give the public a general overview of the tools and constraints that the Commission has had to deal with.

Keith Berger indicated that the Commission does have constraints this year that they didn't have in past years. The FY 2003-04 Budget Trailer Bill stated that the legislative intent was that CMAC not increase rates, and lower them if possible through negotiations. CMAC is certainly attempting to honor the legislative intent and do both of these things. CMAC also has

supplemental programs where there is a somewhat more flexibility and is trying to use those funds more effectively to meet the needs of hospitals as well as maintaining cost-effective access in the program.

Responding to Commissioner Griffiths' question, Mr. Berger indicated that in the supplemental programs, intergovernmental transfers (IGT) are received from counties, hospital districts and the University of California. Those IGT are matched by federal funds, and paid out to eligible SPCP contract hospitals based on the outcome of negotiations with CMAC. Some of these funds go to help hospitals with the medical education costs associated with the treatment of Medi-Cal beneficiaries and other funds are put to more general use in helping support to those hospitals most in need that treat a large percentage of low income and Medi-Cal patients.

Keith Berger indicated that the Health Plan of San Mateo has been struggling for the past couple of years. Their current contract runs through the end of June, and CMAC is negotiating with them to extend that for another six months through the end of December. CMAC is in discussions with both the hospital and the Health Plan to determine whether there is anything that would allow us to assist in working through those issues.

Benjamin Thomas, Department of Health Services, was asked by Chair Nancy McFadden if he could provide an update on the Medi-Cal reform efforts. Mr. Thomas indicated that DHS has had two large meetings in Los Angeles and Sacramento. The next round of meetings will be held in LA on April 14 and 15. Those meetings will break down into four workgroups for benefits, eligibility, Managed Care, and Aging/Disability issues. The goal and plan is to have a proposed waiver to the Centers for Medicare & Medicaid Services (CMS) by the end of September. Ben Thomas remarked that budget hearings start on Monday and the number one issue will be where the State is with Medi-Cal reform.

In response to Commissioner Griffiths' question, Mr. Thomas stated that for this year's budget, the Medi-Cal reform will have very little impact. DHS has no savings scored in this budget year. The intent is to curtail growth and to manage the program. DHS does not know yet if the reform proposals agreed upon will be placed in the budget trailer bill or separate legislation.

Mr. Thomas responded to Commissioner Griffiths' question about the overall vision of the reform as it relates to other Medi-Cal waivers, such as, whether LA have a separate 1115 waiver. Mr. Thomas replied that at this time there is no answer; it is all in discussion.

Mr. Berger informed the Commission that the current SPCP waiver runs through the end of December. However, the proposed waiver renewal documents must be into CMS by the end of September. He said there has been no decision yet about whether the SPCP waiver might be folded in with the reform waiver. He stated he is moving forward as if it will not be included but DHS will have ongoing discussions.

Keith Berger gave a recap of what was coming up at the following Commission meetings per the request of Chair McFadden. He indicated that there would be about 30 amendments before the Commission for action in closed session at the April 22 meeting. There will also be two requests by hospital to appear before the Commission in closed session to discuss specific rate negotiations. For the May 13 meeting, he said there should be about 60 amendments for review and action. Finally, he stated that LA County is scheduled to appear before the Commission in open session on May 27.

There being no further business, Chair McFadden adjourned the open session at 10:55 a.m.